



**BUILDING AMERICA®**

October 6, 2021

City of Mesa Planning and Zoning Board  
55 N. Center Street  
P.O. Box 1466  
Mesa, AZ 85211-1466

Dear Planning and Zoning Board Chair and Boardmembers,

On behalf of Union Pacific Railroad (UP), I am writing to express our position on the proposed Unbound Gateway development before the Planning and Zoning Board. Since 2019, UP and the City of Mesa (City) have worked together in partnership to help advance the Pecos Industrial Rail Access and Train Extension (PIRATE) Project which seeks to build a new rail industrial lead from the UP Phoenix Subdivision to service the existing and future Industrial growth within the Pecos Advanced Manufacturing Zone. This includes Commercial Metals Company (CMC) Steel Mill AZ and new AZ2 expansion, Fujifilm, MGC Pure Chemicals, CRM Rubber, and others. Unfortunately, the proposed development seeking your approval does not incorporate the necessary rail right of way or rail-served properties contemplated in the plans for PIRATE. As such, we request the Board to only consider and support potential developments that achieve those two vital goals of the project's plans and success.

As a project investor and serving railroad for the PIRATE Project, UP has worked diligently with the City to explore the addition of freight rail capabilities to the Pecos Advanced Manufacturing Zone and Gateway Region of the City. We believe this new project will drive economic growth and job creation in the community and assist in diversifying the local economy. The addition of new rail infrastructure adjacent to Phoenix-Mesa Gateway Airport will further establish the region as a critical manufacturing, logistics and infrastructure hub for Arizona. Creation of a new industry lead with over 2,000 acres of developable land will provide competitive access for a unique industrial development to potential rail users. In the economic impact analysis conducted by Rounds Consulting Group, funded by SRP and Pinal County, the PIRATE Project is anticipated to create 20,954 jobs generating \$19.7 Billion in economic output.

UP, CMC Steel and the City have made considerable prospective investments in pursuit of PIRATE. In furtherance of our mutual interests, UP has engaged with various property owners throughout the alignment corridor and advanced real estate negotiations and acquisitions of the necessary parcels to bring PIRATE from concept to completion. This due diligence includes actively engaging the current owner of the 150 acre development site, and continuing good faith negotiations in hopes of bringing our discussions to a successful and mutually agreeable transaction.

We thank the City for its vision and commitment to growth of industrial rail-served properties, and we kindly ask for your consideration and support in continuing our negotiations in order to help deliver a project that successfully delivers the necessary railroad corridor along with beneficial rail-served sites. We look forward to seeing this promising and critical initiative advance, and the economic and public benefits it will provide for Mesa and the region.

Sincerely,

Adrian Guerrero